

19th October, 1942.

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1942/10A.

NEW SOUTH WALES.



BUSINESS STATISTICS - MONTHLY DIGEST.

OCTOBER, 1942.

GENERAL.

War expenditure in September reached the high level of £42.5m. compared with £31.4m. in July.

The number of male employees in civil occupations is declining while war factories are employing an increasing number of both males and females.

Membership of the Women's Army and Air Force auxiliaries has reached nearly 20,000.

Maximum hours of work for males over 18 years have been limited to 56 per week and an increase of present working hours in certain "white collar" industries, including the civil service, is foreshadowed.

Steps have been taken to co-ordinate the activities of the Department of War Organisation of Industry and the Man Power Directorate in the rationalisation of industry and the release of men and women for war work. Plans are being made to provide adequate labour for essential rural industries.

High priced meals in cafes, etc.; have been banned and horse and dog racing prohibited on the first Saturday of each month.

Small savings are high compared with last year but greater efforts are called for and subscriptions by small investors are being sought for the coming Austerity Loan.

Retail business has declined in recent months but general business sentiment is strong. Stock exchange quotations, particularly for the shares of manufacturing companies, have been rising rapidly, but steps have been taken to control the upward movement. The sale and purchase of real estate has been further restricted. The banking position is liquid.

All forms of transport are burdened. A Ministry of Shipping (in conjunction with Supply) has been created for the control of transport by sea.

PUBLIC FINANCE.

War expenditure of the Commonwealth Government during the first quarter of the financial year was £113.1m. (July £31.4m., August £39.2m. and Sept. £42.5m.). Revenue provided £21m. and the balance came from Treasury Bills (£55.5m.) and other loan funds (£36.6m.) The estimate of war expenditure for the full year is £440m.

The unfunded debt (Treasury Bill issue) in Australia at the end of September was £136m. The Commonwealth Bank's holding of Government securities (incl. Treasury Bills) increased by nearly £45m. from June 30th to September 28th. when it stood at £136.2m.

The Austerity Loan of £100m. (£27m. conversion) will shortly be opened to the public. An appeal is being made for half a million subscribers. Substantial sums have already been received including £5m. from the War Damage Commission.

The State Budget for 1942/43 provides the following comparison with last year:

/1941/42.....

		<u>1941/42</u>	<u>1942/43</u>	Estimates
Revenue	£m.	66.66	64.99	
Expenditure	£m.	65.78	64.96	
Surplus	£m.	<u>0.88</u>	<u>0.03</u>	

No changes in any form of taxation are proposed. Revenue from taxation, including Commonwealth grants under the uniform tax plan, will be lower by about £2m. The Consolidated Revenue fund is expected to show a deficit of £800,000 compared with a surplus of £403,000 in 1941/42 but business undertakings are estimated to show a surplus of £825,000. Revenue of the Main Roads Department - from State taxation of motor vehicles, Commonwealth taxation of petrol and direct contributions by local councils - has declined precipitously. Petrol rationing is expected to result in a deficiency of £178,945 on the operations of the Sydney Harbour Bridge.

The Budget provides for expenditure of £1,299,000 on protection against air raids, hospitalisation of civilian war casualties, etc. The Government regards the maintenance of a certain standard of social services as essential to the well-being of the people and the successful prosecution of the war.

During the first quarter of 1942/43 State Government revenue showed an increase of £804,000 by comparison with last year. Railway revenue increased by £1,125,000 but "Governmental" revenue declined.

Expenditure during the quarter was £1,351,000 higher than in 1941/42, largely on account of railways (up £1,112,000).

#### NEW SOUTH WALES GOVERNMENT.

<u>JULY-SEPT.</u>		<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
Revenue £m.		11.81	11.89	14.11	14.94	15.74
Expenditure £m.		<u>14.11</u>	<u>14.29</u>	<u>15.14</u>	<u>14.74</u>	<u>16.09</u>
Surplus (+) or Deficit (-) £m.		(-) 2.30	(-) 2.40	(-) 1.03	(+0.20	(+0.35)

#### BANKS.

Commonwealth Bank (General Banking Department) returns show a continued increase in ordinary deposits which expanded by £33m. in the year ended September 28th, 1942 while Government securities increased by £70m.

The note issue increased by over £10 million from June to September, 1942 compared with £4.4m. - in the corresponding period last year. Nearly all the increased issue since the war began has gone into the hands of the public.

The following table shows the note issue and the combined accounts of the General Banking and Note Issue Departments of the Commonwealth Bank.

#### COMMONWEALTH BANK OF AUSTRALIA.

#### NOTE ISSUE & GENERAL BANKING DEPTS. (£A Million).

Av. of Weekly Figures	Notes in Circulation held by			Deposits, incl. other Banks' balances with C'twealth Bk.	Govt. & Other Securities incl. (Treasury Bills)	Sterling Reserve & London "Short Call"	Disco & Advan
	Public	Banks	Total				
1939	34.8	14.6	49.4	87.4	99.2	33.3	17.4
1940	43.8	14.2	58.0	113.5	91.1	60.2	31.0
1941	54.6	14.2	68.8	117.1	105.6	65.7	22.1
1941-June	53.3	13.6	66.9	117.3	94.4	73.6	21.0
Sept.	57.2	14.1	71.3	117.6	116.9	58.9	20.0
1942-June	85.8	15.1	100.9	162.6 x	185.2	63.7	28.0
- 28 Sept.	+95.5	+15.6	+111.1	192.7 x	227.8	68.0	22.1

+ 21st Sept., 1942. x Incl. special war-time deposits (compulsory) of trading banks - £36.9m. on 30/6/42 and £43.4m. on 28th Sept., 1942.

A bill has been introduced into the Commonwealth Parliament to establish a Mortgage Bank, with a capital not exceeding of £4m., as a department of the Commonwealth Bank. Provision is to be made for loans on first mortgage to primary producers not exceeding 60% of the value of a property or £4,000 whichever is the less. The loans will be restricted in war-time.

Special war-time deposits of the private trading banks with the Commonwealth Bank increased from £36.9m. on June 30th, to £43.4m. on Sept. 28th. The cash holdings (coin, notes and cash with the C/wealth Bank) of these banks increased by £13.7m. from July to August which was greater than the increase in deposits (£12.0m.). Deposits on current account were £200.2m. in August compared with £121.6m. in 1939. The increases in cash and deposits are attributed to proceeds of export sales and increased war expenditure. Advances declined by £5.9m. from July to August, 1942, to nearly £27m. below the 1939 average. The trading banks are in a very liquid position.

#### NINE TRADING BANKS - AUSTRALIA.

Liabilities & Assets within Australia.  
(£A Million).

Av. of Weekly Figures	Deposits.			Coin, Notes, Bullion etc.ø	Treasury Bills	Govt. & Municipal Securities.	Special War-time Deposits with C'wealth Bank.	Advances, Discounts, etc.
	Bearing Interest (Fixed)	Not b'ing Interest (Current)	Total.					
1939	199.9	121.6	321.5	33.8	23.2	22.1	-	290.7
1940	207.9	142.1	350.0	41.5	39.7	42.2	-	283.6
1941	205.0	162.6	367.6	41.3	41.0	60.8	0.7	280.4
1941-Mch.	210.4	163.6	374.0	45.8	45.8	59.0	-	277.7
July	202.1	152.9	355.0	35.5	29.6	61.2	-	286.5
Aug.	201.6	159.4	361.0	39.2	33.3	61.7	-	280.5
1942-Mch.	197.5	188.9	386.4	38.5	47.7	56.4	34.9	263.3
July	190.3	188.6	378.9	36.4	38.4	56.3	36.3	269.9
Aug.	190.7	200.2	390.9	50.1	37.1	56.3	37.9	264.0

ø Incl. cash with C/wealth Bank.

#### SAVING.

The increase in Savings bank deposits in N.S.W. was nearly £2,800,000 in July and £2,400,000 in August. No Government loan was raised in these months.

Net sales of War Savings Certificates in June were approximately £300,000. Sales of 3% (£10) National Savings Bonds have been unimportant.

The directors of the Commonwealth Bank, in their annual report, stress the need for reduction of surplus spending power by taxation or savings at a much greater rate than in 1941/42.

#### N.S.W. - SAVINGS.

SAVINGS BANKS -		£ (thousands).			
		1940-41	1941-42	1941	August. 1942.
Increase in Deposits.		5,639	6,788	1,195	2,396
<u>WAR SAVINGS CERTIFICATES -</u>					
Net Sales:-		4,040	2,968(a)	196	275(b)
TOTAL	...	9,679	9,756	1,391	2,671

(a) Subject to slight revision.

(b) Av. monthly sales Jan. - June, 1942.

Total...

Total net sales in N.S.W. of War Savings Certificates from the first issue in March 1940 to June 30, 1942 were £9,446,000.

New loans on policies granted by life assurance companies have declined to about one third of the pre-war level.

#### New Loans on Life Assurance Policies.

Granted during month of June:-

	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
N.S.W. £'000	75	88	92	73	35
Aust. £'000	194	227	229	171	81

The same trend of debt repayment shown by the higher proportion of retail trade now conducted on a cash basis.

#### BOND YIELDS.

The downward trend of yields on bonds subject to 1930 rates of taxation continues. Such bonds, maturing in 5 and less than 10 years had in 1941 an average yield of 2.95% (£2. 19. 0%). In September they yielded only 2.67% (£2. 13. 5%).

Bonds subject to current taxation have shown a steady yield at 3.22% (£3. 4. 5%) for some time. In 1941 the average yield on such bonds was 3.17% (£3. 3. 5%).

#### COMMONWEALTH BONDS.

(Compiled by Commonwealth Bank).

Taxed at 1930 Rates:-	Average-		Mar. 1942	July 1942	Aug. 1942	Sept. 1942
	1939	1941				
<b>Maturing -</b>						
5 - 10 years	3.87	2.95	3.07	2.88	2.80	2.67
10 years and over	3.92	3.10	3.17	3.13	3.03	2.86
Taxed at full C/wealth Rates:						
Maturing in 5 - 10 years.	-	3.17	3.22	3.22	3.22	3.22

(a) Weighted average rate, calculated on earliest date of maturity when above par and on latest date when below par.

#### COMPANY PROFITS.

The percentage rates of profits and dividends on shareholders' funds in recent years of certain companies operating mainly in Australia are shown below. Dividends have been fairly well maintained by banks and finance companies but lower earnings after taxation disclosed in 1941, and by balance sheets so far available in 1942, are having their effect. Other types of companies have shown a decline in profits (after taxation) and dividends (as percentages of shareholders' funds.)

COMPANY PROFITS - AUSTRALIA.

(From C/wealth Bank Bulletin).

Balance Period ended in -	No. of Companies Included	Profit £000	Dividend £000	Per cent of Shareholders' Funds	
				Profit %	Dividend %

B A N K S.

1938	10	2,928	2,598	4.2	3.8
1939	10	2,887	2,603	4.2	3.8
1940	10	2,878	2,637	4.2	3.8
1941	10	2,780	2,638	4.0	3.8
1941	6	1,114	1,048	3.8	3.6
1942	6	1,080	1,013	3.7	3.5

OTHER FINANCIAL (Excl. Life Assce.)

1938	132	2,740	2,038	5.8	4.3
1939	133	2,606	1,999	5.3	4.1
1940	128	2,883	2,218	5.8	4.5
1941	121	2,426	1,863	5.7	4.4
1941	51	1,088	945	5.5	4.8
1942	51	955	838	4.8	4.2

O T H E R .

1938	561	22,751	18,721	7.8	6.4
1939	559	23,021	18,152	7.6	6.0
1940	553	23,510	18,396	7.4	5.8
1941	520	22,235	18,114	6.9	5.6
1941	201	8,527	6,928	6.8	5.5
1942	201	7,702	6,564	5.9	5.0

The Black Markets Act passed at the end of September provides drastic penalties for major offences under National Security Regulations dealing with prices, rationing of goods and services, restriction of stock, control of production and acquisition of primary products. Minimum penalty for a person convicted before a magistrate is three months gaol. The Act applies to buyers as well as sellers and goods involved in an offence, or their value, are forfeit to the crown.

COMMERCE, ETC.

While civilian business is subject to restrictions, Government expenditure is increasing and money turnover is large. Bank clearings are at a high level, the index for the period June-Aug. 1942 being 135 compared with 123 in the corresponding period last year.

Returns by registered wholesalers of sales of taxable and exempt goods (including supplies for the Commonwealth Government) continue to show a high level of business. For the period January - July, sales this year exceeded sales in 1941 by 7%. Clothes rationing, which operated from June 16th, 1942 had not visibly affected the wholesale trade in July.

Retail trade shows a considerable contraction. The index of sales for June Quarter was 170 and for the three months ended July, 154 (1931 = 100). It is reported that a higher percentage of sales is for cash, due in part to the greater volume of employment. The value of stock in large Sydney stores was in July, 1942, 14.7% above the corresponding month of 1941. Employment was 15.1% less. Statistics of employment by all firms in N.S.W. paying over £20 p.w. in wages and whose principal activity was retailing, show a similar decline in male employees.

Share prices on the Sydney Stock Exchange have shown extraordinary strength recently. The index of the prices of 34 active shares in August was 4 points above July and the highest this year. In September it moved to 179 or almost equal to November, 1941 (182) before Japan entered the war. Manufacturing companies' shares were in strong demand. Since early this year it has been customary to revise twice monthly, maximum price limits for shares. The limits were not revised in October and further control is envisaged. Shares must be held five months before sale is permitted.

Real estate business, though not much more than half the volume of January, 1941 is further limited. Sales of land and leases for three years and over are now subject to the written consent of the Treasurer. Both the purchaser, and the vendor of residential property have to supply information to the Treasurer.

Year	Bank Clearings (Sydney)		Stock Exchange (Sydney)	Wholesale Trade (N.S.W.)		Retail Trade Sydney	Real Estate (N.S.W.)	
	Amount	Index No.	Prices of Ord. Shares	Sales		Sales	Sales	Mortg
	Jan-Aug.	June-Aug.	August	July	Jan-July	May-July.	Jan. ~	Aug.
1938	£ mill. 1926-30 = 100	101	Index No. - Par Value = 100	£ mill	£ mill	Index No. 1931 = 100	£ mill	£ mi
1938	614.5	101	184	16.2	110.7	138	25.8	17.1
1939	601.6	99	182	15.3	109.0	138	22.4	16.0
1940	706.6	118	168	16.7	114.5	146	20.1	11.8
1941	738.1	123	186	17.6	127.9	179	21.8	10.1
1942	801.3	135	167	19.2	135.6	154	15.3	6.0

\* Excluding Treasury Bill transactions.

# 34 Active Shares.

+ Including new mortgages and renewals as registered.

### PRICES.

Increases dating from October 12th, in the prices of pig iron and steel have been permitted. The adjusted prices are still far below British prices, the comparison being as follows:-

			Old Price	Price from 12/10/
Australian	- Pig iron, per ton	...	£4/10/0	£5/15/0
	- Merchant Steel bars, per ton	...	£10/2/8	£12/12/8
British (in £A)	- Pig iron, per ton	...	£8/7/6	-
	- Merchant steel bars, per ton	...	£21/2/11	-

### Wholesale Prices.

The index-numbers of Australian wholesale prices of various groups of basic materials and foodstuffs showed little variation from May to July, 1942 except in the case of "foodstuffs and tobacco". In this group the index number rose from 1,136 in May to 1,188 in June and receded to 1,166 in July. Textiles rose sharply in July largely on account of the increase in the price of wool following the operation of the amended British purchase price.

WHOLESALE PRICE INDEX-NUMBERS - AUST.

BASIC MATERIALS & FOODSTUFFS. (BASE - 1928/29 = 100)

Period	Metals & Coal	Oils, Fats, & Waxes.	Tex- riles.	Chemicals,	Rubber & Hides.	Building Materials	Food- stuffs & Tobacco	Goods Principally Imported.	Goods Principally Home Produced.	All Groups.
1938/39	81	94	63	83	81	102	96	109	86	92
1939/40	83	108	81	88	101	114	95	121	87	95
1940/41	85	129	86	102	109	136	98	141	90	102
1941/42	92	142	91	113	118	143	105	157	95	110
1942-Jan.	92	143	91	116	124	140	101	154	95	109
Mar.	93	148	93	116	119	140	103	155	96	110
May	95	148	94	116	119	160	114	172	101	118
June	96	148	93	116	119	160	119	174	103	120
July	96	149	102	116	119	160	117	169	104	120

Retail Prices.

The rise in the retail prices index during September Quarter, 1942 was sufficient to raise the adult male basic wage (Sydney) by 2/- to 97/- per week. The quarterly adjustments of the basic wage have increased it by 8/- this year compared with 4/- last year. (See Table B.S.Digest 1942/8A).

The index of retail prices ("C" Series) in Sydney increased by 2.4% in September Quarter 1942 and is now 20.3% above September Quarter, 1939.

RETAIL PRICES - "C" SERIES Ø

(Cost of Food, Groceries, Housing, Clothing & Miscellaneous Items).

Area	1939	1940	1941	1942		
				Mar. Qr.	June Qr.	Sept. Qr.
N.S.W. + Sydney	936	974	1,028	1,070	1,096	1,122
Five Towns (Weighted Av.)	933	972	1,026	1,068	1,094	1,118
Aust. - 6 Capitals.	920	957	1,008	1,053	1,081	1,106

Ø Base:- Weighted average of six capital cities, 1923-27 = 1000.

WAGE RATES.

The trend of wage rates in Australia is shown below.

WAGE RATES  $\phi$  IN AUSTRALIA.

(Weighted av. wage rates  $\phi$  adult males).

<u>End of Month.</u>	<u>All Industrial Groups *</u>	<u>Engineering &amp; Metal Works</u>	<u>Mining, Quarrying, etc.</u>	<u>Pastoral &amp; Agricultural etc.</u>	<u>£ weekly.</u>
	<u>Pence</u>	<u>per hour</u>			
1938/39 Av.	25.81	26.50	29.56	4.11	
1939/40 Av.	26.56	27.06	30.56	4.21	
1940/41 Av.	28.06	28.31	32.19	4.34	
1940/41 - June	28.75	29.00	32.75	4.42	
- Dec.	29.25	30.00	33.25	4.68	
1941/42 - Mar.	30.00	30.75	33.25	4.96	

(Compiled by Commonwealth Statistician).

\* All groups except shipping, Agricultural, Pastoral, etc.

$\phi$  As fixed by awards or predominant rates paid in the industries.

HOURS OF WORK.

The Government and War Council have adopted a recommendation of the Cabinet Sub-Committee on Man Power that hours of work be increased in "white collar" industries and the Civil Service where present hours are considered less than the maximum consistent with and necessary for full efficiency. Where increased hours are introduced, variations of awards may be made upon application by employers or employees.)

To relieve fatigue in industry and reduce the attendant absenteeism, maximum hours of work are to be limited to 56 weekly (males under 18 years - 48 hours) from 30th November. Classes of labour affected will be notified in the Gazette. It is impracticable to set up a lower maximum for women engaged alongside male workers but a 52 hour week is recommended where possible.

Public holidays at Xmas are to be Dec. 25, 26 and 28. There will be no holiday on New Year's Day and Anniversary (Australia) Day Jan. 26th, 1943, will be a universal working day at penalty rates of pay.

MANUFACTURING.

Sales of 42 large factories in July, 1942 were 16.6% greater in value than in July, 1941. The value of sales has been inflated to some extent by the rise in costs, nevertheless there has been a substantial increase in the quantity of goods sold by these factories. The Commonwealth Government is a heavy purchaser.

In all factories and workshops in N.S.W. it is estimated there were 296,300 (preliminary) employees in July, 1942. Government factories are expanding and, in N.S.W., absorbing many women. One of the first decisions of the Textile Industry Committee was to ban the transfer of textile factory staffs to other employment. The Committee was set up to stimulate output of cotton and wool spinning factories. Factories supplying purely civilian needs are less active while the output of war material from other factories is increasing. The use of Newsprint has been reduced by a further 15%.

## N.S.W. - MANUFACTURING INDUSTRY.

Period	42 Large Factories			All Factories & Works in N.S.W.				Index of Employment+	
	Sales £m.	Employees Hundreds	Weekly Wages & Salaries £000	Employees +					
				M	F	1928/29=100	1938/39=100		
1938/39-Monthly Av.	3.12	234	96	167	62	127			100
1939/40- "	3.44	235	100	172	65	131			104
1940/41- "	3.90	260	117	194	72	147			116
1941/42- "	4.84	281	146	214	79	162			128
1941 - July	4.64	284	135	209	75	157			124
1942 - Jan.	4.52	282	146	215	77	162			128
Mar.	5.10	280	148	216	81	164			130
June	5.08	277	156	215	81	164			129
July	5.41	277	153	(a) 214	82 (a)	164			130

+ Including working proprietors and subject to revision in respect of 1941/42.

(a) Preliminary

The index of consumption of GAS & ELECTRICITY in Sydney and suburbs was 156 in August, 1942 compared with 151 last year. The brown-out reduces the demand for electricity compared with earlier years.

Index of Consumption of Gas & Electricity.	Av. 1939	Av. 1940	Av. 1941	Aug. 1942.
(1929-31 = 100)	131	135	148	156

EMPLOYMENT.

Estimated total non-rural employment in N.S.W. (excl. household domestics) decreased from June to July, 1942 by 800, in line with the trend of recent months. Government employment increased due primarily to absorption of women in munition factories and of men on defence construction but private employment again declined. Females employed (excl. household domestics and rural workers) increased by 1,000 from June to July so that there was a net fall in the males of 1,800.

## NEW SOUTH WALES.

## ESTIMATED TOTAL NON-RURAL WAGE-EARNERS EMPLOYED (EXCL. HOUSEHOLD DOMESTICS).

Ind of Month	MALES			FEMALES			TOTAL		
	Government (C/wealth, State & Local).	Private Employers.	Total	Government (C/wealth, State & Local).	Private Employers	Total	Government (C/wealth, State & Local).	Private Employers.	Total.
1939-July	'000	'000	'000	'000	'000	'000	'000	'000	'000
1941-July	136.5	399.1	535.6	19.4	141.3	160.7	155.9	540.4	696.3
1942-June	141.5	419.5	561.0	21.7	186.8	208.5	163.2	606.3	769.5
-July	152.5	388.4	540.9	27.8	196.3	224.1	180.3	584.7	765.0
	154.6	384.5	539.1	28.1	197.0	225.1	182.7	581.5	764.2

(Excludes persons on military service but includes Civil Constructional Corps employed in New South Wales.)

The trend of employment in certain broad industrial classifications is shown in the table below. The numbers shown do not represent the totals employed in the industries (see note to table).

Commerce and finance (banking, insurance etc.) and retail trade continue to yield man power for the forces and essential industry. Mobilisation of the country's labour resources is a continuous process and has now reached the stage where it is necessary to call-up unoccupied men and single women and to transfer persons from one employment to another, said the Prime Minister on 16th October. Women will not be called-up until the necessary amenities are provided. The man power programme most recently announced for the balance of 1942 envisaged the transfer of 80,000 women to war work. It was hoped that 52,000 would come from the ranks of women not formerly wage-earners.

### NEW SOUTH WALES.

#### EMPLOYMENT OF WAGE & SALARY EARNERS AS RECORDED BY EMPLOYERS

#### ON PAY ROLL TAX RETURNS.

(Thousands).

Employees recorded by Employers who principal activity is:

Last Pay Day in Month.	Mining & Quarrying		Building & Construction (a)		Land Transport (R/ways T/ways & Road).		Retail Trade.		Other Commerce & Finance (b)		Other Private Non-rural employment (excl. private domestics) (c)	
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
1941-July	21.7	0.2	20.5	0.5	60.7	2.7	31.9	31.8	50.5	19.8	16.3	20.3
Dec.	21.7	0.2	18.3	0.5	62.3	3.0	31.9	35.1	49.7	21.4	16.8	21.8
1942-Mar.	21.3	0.2	19.9	0.5	62.3	3.3	28.5	33.0	46.9	21.3	15.1	21.5
May	21.2	0.2	18.5	0.5	62.5	3.4	26.4	33.0	44.6	22.6	14.3	21.8
June	21.3	0.2	18.2	0.5	62.4	3.4	25.6	32.6	43.7	22.7	14.1	21.9
July	21.4	0.2	17.2	0.5	62.4	3.5	24.9	32.1	42.6	22.8	13.4	21.5

- (a) Excludes large numbers employed by Government authorities on defence construction.
- (b) Includes Commonwealth Bank of Australia.
- (c) Restaurants, hotels, professional and other personal service.

(Pay roll tax returns are submitted by all employers except charities, etc. paying wages exceeding £20 per week).

The call-up of single men aged 18-45 years has been intensified and extended to essential establishments, where replacement by older men will be attempted.

The strength of the Australian Women's Army Service is about 8,000 and rising daily, and the Women's Auxiliary Australian Air Force, numbers over 10,000.

There is a shortage of engineering tradesmen outside war factories and it is intended to make greater use of trainees, to extend dilution and the breaking down of skilled processes.

Rates of pay for trainees under the Commonwealth Training Scheme are to be increased. It is intended to train women in certain trades and the Central Dilution Committee will formulate a code of conditions to be applied.

"The magnitude of the demand for man-power is such that the measures to be taken will be more far-reaching than any previously introduced". (Prime Minister).

Rural man-power is referred to in another section.

UNEMPLOYMENT.

National Service Offices deal with thousands of employment transfers each month and in general there is only transitional unemployment. The numbers of males available for employment and on the registers of the National Service Offices at the end of each month since March, 1942, are shown below.

There has been a pronounced fall in the number of men in the metropolitan area on the unemployment registers at the month-end. In August a substantial decline occurred in areas outside the metropolis as well.

N.S.W. - UNEMPLOYED MALES REGISTERED.

(End of Month).

	March 1942	April 1942	May 1942	June 1942	July 1942	August 1942	Sept. 1942
Metropolitan Area $\phi$	1,340	1,543	839	463	388	292	266
Other Areas	1,101	1,145	1,347	1,450	1,398	1,119	1,169
	2,441	2,688	2,186	1,913	1,786	1,411	1,435

 $\phi$  Incl. Penrith, Liverpool and Camden.BUILDING.

For the eight months Jan. - Aug. 1942 permits were issued for private building projects estimated to cost £881,000 or about one-ninth of the corresponding figure last year. On the other hand Government building contracts accepted (£2,953,000) were slightly above 1941. A higher proportion of new Government building is in country areas.

Nearly all private building now consists of factories and other essential works permitted by the Department of War Organisation of Industry.

VALUE OF PROPOSED BUILDINGS - N.S.W.New buildings, alterations and additions (except A.R.P.)

RIOD	PRIVATE BUILDING (Permits to Build).		PUBLIC BLDG. (C/w. & State Govts)		T O T A L.		
	Metropolis.	Other N.S.W. (as far as recorded(a)).	Metropolis	Rest of State	Metropolis	Other N.S.W. (as far as recorded $\phi$ ). $\phi$	Total
<u>Thousands of £'s.</u>							
38/39	15,333	5,953	(b)	(b)	-	-	-
39/40	11,437	5,052	1,053	1,537	12,490	6,589	19,079
40/41	12,006	4,624	1,477	2,501	13,483	7,125	20,608
41/42	5,969	3,364	1,329	3,640	7,298	7,004	14,302
41 Dec.Qr.	2,116	1,060	375	957	2,491	2,017	4,508
42 Mar.Qr.	424	533	283	1,213	707	1,746	2,453
June Qr.	289	265	198	561	487	826	1,313
July	61	x	63	244	124	(b)	(b)
Aug.	107	x	165	193	272	(b)	(b)

- (a) Returns rec'd from authorities covering approx  $\frac{3}{4}$  of the non-metropolitan population.  
x Collected quarterly.  
+ Contracts accepted.  
(b) Not available.  
 $\phi$  See note (a)

TRANSPORT.

Railways, Tramways and Bus Services are carrying record numbers of passengers. Some women have begun work as conductors on corridor trams.

A railways working surplus of £7,825,000 in 1942/43 is predicted. Last year the surplus was £7,268,000. Special provision was made in the accounts last year for "deferred maintenance".

The railways are faced with an exceptionally heavy task in lifting the goods and livestock requiring transport. It is expected that as a result of recommendations of the Emergency Freight Committee, the interstate haulage of many commodities will be restricted. The problems of co-ordinating road, rail, air and sea transport are being studied. All administration concerning shipping will come within the ambit of the newly created Ministry of Supply and Shipping.

N.S.W. PUBLIC TRANSPORT.

Month of July.

Year	RAILWAYS -- N.S.W.				TRAMS & BUSES - SYDNEY & NEWCASTLE.		
	Passenger Journeys	Tonnage of Goods & Livestock.	Revenue	Excess of Revenue over Working Expenses (a)	Passenger Journeys (b)	Revenue	Excess of Revenue over Working(c) Expenses.
1939	million	'000	£'000	£'000	million	£'000	£'000
1939	15.2	1,368	1,542	370	29.9	351.1	43.0
1940	15.5	1,801	2,011	808	31.6	371.2	57.0
1941	16.8	1,460	2,048	623	38.1	428.0	67.1
1942	18.3	1,659	2,726	1,108	39.7	453.3	49.8

(a) Excluding interest, sinking fund and exchange - £6.56m. in 1939/40, £6.62m. in 1940/41.

(b) Excluding Harbour Bridge Section Tickets.

(c) Excluding interest, s. fund, exchange and current depreciation £0.67m. in 1939/40, £0.66m. in 1940/41 and £0.61m. in 1941/42.

Problems which led to the creation of the Ministry of Supply and Shipping include

- (1) the need for the application of strict freight priority without which the conduct of the war effort is hindered,
- (2) the multiplicity of authorities concerned and the need for clearer relations with the British Ministry of War Transport,
- (3) the recent call by U.S. authorities for a quicker "turn-round" of vessels, and
- (4) the need to prevent holding up of shipping at ports by industrial factors.

MOTOR VEHICLES.

Acquisition of new motor vehicles without the permission of State road transport authorities is prohibited. The prices of second-hand cars have been fixed. The demand for cars has increased and prices have risen although at the same time small petrol allowances have led to many cars being laid up.

Permits are necessary for the purchase of coal gas fuel for motor vehicles and for purchase of shale oil and rectified spirit, supplies of which will be conserved for essential users. It is not intended to immobilise cars by withdrawing pleasure motorists' licenses. Inspectors, however, are endeavouring to prevent illicit use of petrol.

N. S. W.MOTOR VEHICLES REGISTERED AND NEW VEHICLES REG'D.

Registrations in force -	<u>Aug. 1939</u>	<u>Nov. 1941</u>	<u>Mar. 1942</u>	<u>July 1942</u>	<u>Aug. 1942</u>
Cars ('000)	217	191	173	170	170
Lorries & Vans ('000)	78	75	73	71	71
Total, all m.v's ('000)	329	298	274	267	267

New Vehicles Registered -

## Av. No. per week:

Cars & Cabs.	No.	322	39	13	13	17
Lorries & Vans.	No.	146	50	19	8	4

PRIMARY INDUSTRIES.

Seasonal Conditions have taken a decidedly favourable turn following widespread rains in mid-October. August rains were only fair and September was disappointing, especially in dairying districts where rainfall was only 23% of normal and had been sub-normal in every month since March.

NEW SOUTH WALES - RAINFALL INDEX.

Weighted average ratio of actual to normal rainfall. (Normal rainfall each month = 100).

Month	Sheep Districts	Wheat Districts	Dairying (Coastal) Districts.
March	74	70	108
April	27	37	45
May	196	237	32
June	118	128	73
July	149	113	86
August	72	105	31
September	72	78	23

The heavy rains have occurred opportunely for the wheat crop and have replenished the metropolitan water storages which were heavily depleted in the years of drought on the Catchment areas. The prospects of the rural industries of the coastal districts are much improved. Inland, the area in greatest need of rain - the north-west - has obtained relief. Rabbits have tended to increase recently and as skin prices have dropped, the export levy has been reduced from 1/6 to 9d. per lb. in order to encourage trappers to continue their work.

WHEAT. A preliminary estimate of the Wheat harvest in N.S.W. issued by the State Marketing Bureau is 48m. bushels. This is only 0.5m. bus. below production last season although the area sown was probably not more than 3.3m. acres compared with 3.97m. acres in 1941. The Australian harvest this season is expected to be 20 - 25m. bus. below last year. No. 2 (1939/40) Wheat pool has been wound up. Net realisation paid to growers throughout Australia averaged  $3\frac{1}{2}$  per bus. at Country Stations. The flour export trade has been depressed and a Committee has been appointed by the Federal Government to spread the available business over the flour mills. The Wheat Board has been reconstituted. In accordance with Labour

policy, the new board will have majority of growers' representatives. The cost of superphosphate to the farmer next year will be kept at the same level as in 1942. A tribunal is to be set up for the purpose of determining an industrial award for persons primarily employed in the wheat industry.

WOOL. Indications are that wool production in N.S.W. this season will be approximately the same as last season. There has been a good response to the Wool Committee's request to pack more wool into each bale in order to conserve wool-packs. In the current season receipts of wool at ports are far below last year due to several factors, chief of which is transport. It was anticipated that man power shortage etc. would extend the wool transport, appraisal and storage season. Local (Aust.) manufacturers in 1941/42 took the record amount of 470,500 bales of wool from appraisement centres compared with 376,500 bales in 1940/41 and a pre-war consumption of about 232,000 bales.

DAIRY INDUSTRIES. Beginning from 1st October, 1942 a subsidy of £2m. p.a. is to be paid to producers of milk for butter and cheese. The allocation of the subsidy is being examined by the Tariff Board having regard to seasonal conditions, wartime disabilities, including wage variations etc. Payments are expected to be on a differential scale according to the conditions existing in the various areas. The Arbitration Court will be empowered to make an interim award adjusting wages in the industry to an equitable level as from 1st October.

Farmers' organisations have pressed a claim for increased prices of products rather than a subsidy, but the Government did not desire to increase the cost of living. The copious rain in the coastal areas will increase the output of dairy products.

RURAL ORGANISATION. The Prime Minister's announcement of 16th October on Man power mobilisation contained the following references to rural industries:

(1) The additional man power requirements of essential rural industries can and shall be met by a diversion from other rural industries where there are surpluses, such as wheat, barley and fruit.

(2) The Department of War Organisation of Industry, through a special branch, is to plan and co-ordinate measures for rationalising rural industries.

(3) "Full consideration is to be given to the possibilities of cutting down Australian consumption of foodstuffs by rationing or other means to save man power, and enable supplies to Britain to be maintained."

The conditions of enlistment of the Women's Land Army have been announced. Some hundreds are already at work. It is hoped to enlist 6,000 at ages- between 18 and 50 years. They will be supplied with uniform and certain equipment. Pay will be at the rate of £1 per week plus keep, while training and a minimum of 30/- p.wk. plus keep afterwards. In general, local award rates will be paid.

MISCELLANEOUS. It has been announced that the area planted to rice in N.S.W. will be 34,000 acres compared with 23,700 last year.

Soybean cultivation under contract with State Agriculture Departments is being encouraged. For 98% quality 25/- per bus. is offered. Soybeans were formerly imported as local farmers could not compete with oversea prices.

To encourage fodder conservation, necessary following depletion of stocks in drought years, the Commonwealth Government has announced a subsidy conditional upon its being supplemented by State Governments.

At present an Australian wide statistical enquiry is proceeding to determine the extent of crop plantings and man power engaged by farmers including wheat growers. The emergency data are needed by the Food Council and other bodies concerned with the organisation of rural production.

The activities of the Soil Conservation Service are to be extended by the establishment of an erosion research station at Wellington, N.S.W.